

BUDGET, FINANCE & INVESTMENT COMMITTEE

June 27, 2012

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Lisa Crowell
Lisa Nolen
Don Odom
Jeff Sandvig
Michael Gregory

Others Present:

Bernard Salandy
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with Comm. Will Jordan being absent.

APPROVE MINUTES:

The minutes of the June 18 and June 19, 2012 Budget Committee meetings were presented for approval.

Comm. Sandlin moved, seconded by Comm. Peay to approve the minutes as presented.

The motion passed unanimously by acclamation.

2011-12 GENERAL FUND BUDGET AMENDMENTS

ELECTION COMMISSION:

Finance Director Lisa Nolen requested approval of the following budget transfer for the Election Commission to provide adequate funding to complete the year for Printing, Stationery & Forms utilizing available funds in the Election Workers Account:

From:	101-51500-193 – Election Workers -	\$4,000
To:	101-51500-349 – Printing, Stationery & Forms -	\$4,000

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfer for the Election Commission as requested transferring \$4,000 from Account 101-51500-193, Election Workers, to Account 101-51500-349, Printing, Stationery & Forms.

The motion passed unanimously by roll call vote.

MISCELLANEOUS/COUNTY BUILDINGS:

The Finance Director requested approval of the following budget amendment for the County Buildings Department to provide sufficient funding to complete the fiscal year for the Gasoline Account utilizing the pooled account for gasoline amendments:

From:	101-58900-425 – Miscellaneous Gasoline -	\$2,000
To:	101-51800-425 – County Buildings Gasoline -	\$2,000

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendment for the County Buildings Department as requested amending \$2,000 from Account 101-58900-425, Miscellaneous Gasoline, to Account 101-51800-425, County Buildings Gasoline.

The motion passed unanimously by acclamation.

COUNTY CLERK:

Mrs. Lisa Crowell, County Clerk, requested approval of the following budget transfers to provide sufficient funding to complete the fiscal year for Postal Charges and Other Supplies and Materials:

From: 101-52500-355 – Travel -	\$2,100
To: 101-52500-348 – Postal Charges -	\$1,600
101-52500-499 – Other Supplies & Materials -	500

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfers for the County Clerk as requested transferring \$2,100 from Account 101-52500-355, Travel, with \$1,600 to Account 101-52500-348, Postal Charges, and \$500 to Account 101-52500-499, Other Supplies and Materials.

The motion passed unanimously by acclamation.

REAPPRAISAL:

The Finance Director requested approval of the following budget amendments for the Reappraisal Department to provide funding to pay the accumulated compensatory time for an employee who left employment and to provide sufficient funding to cover the gasoline to complete the fiscal year utilizing available funds in the Gasoline Account in the Property Assessor's budget:

From: 101-52310-106 – Deputies -	\$ 426
To: 101-52310-187 – Overtime Pay -	\$ 426
From: 101-52300-425 – Property Assessor Gasoline -	\$3,000
To: 101-52310-425 – Reappraisal Gasoline -	\$3,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendments for the Reappraisal Department as requested transferring \$426 from Account 101-52310-106, Deputies, to Account 101-52310-187, Overtime Pay; and amending \$3,000 from Account 101-52300-425 Property Assessor Gasoline, to Account 101-52310-425, Reappraisal Gasoline.

The motion passed unanimously by acclamation.

INFORMATION TECHNOLOGY:

The Finance Director requested approval of the following budget transfer for the Information Technology Department to cover the overage for communication costs for the year:

From: 101-52600-355 – Travel -	\$ 1,500
101-52600-411 – Data Processing Supplies -	3,500
101-52600-709 – Data Processing Equipment -	10,000
To: 101-52600-307 – Communications -	\$15,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfer for the Information Technology Department as requested transferring \$1,500 from Account 101-52600-355, Travel, \$3,500 from Account 101-52600-411, Data Processing Supplies, and \$10,000 from Account 101-52600-709, Data Processing Equipment, with a total of \$15,000 to Account 101-52600-307, Communications.

Comm. Peay asked what the communications cost included.

Mr. Robertson advised that the account covered costs for the internet circuit for the entire county, several frame relay circuits for any building that housed multiple agencies, the Metro-E circuit for the Courthouse, DSL Circuits for EMA and the Solid Waste Department, Agriculture Extension Metro-E circuit, as well as some phone circuits in buildings where the internet phone service had been installed. Mr. Robertson advised that some of the communications increase in his department was offset by communication costs decreases in other departments.

Following discussion the motion to approve the budget transfer for the Information Technology Department as requested transferring \$1,500 from Account 101-52600-355, Travel, \$3,500 from Account 101-52600-411, Data Processing Supplies, and \$10,000 from Account 101-52600-709, Data Processing Equipment, with a total of \$15,000 to Account 101-52600-307, Communications, passed unanimously by acclamation.

CONTRACT WITH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION:

Mr. Robertson requested approval of a Contract with the Tennessee Department of Finance and Administration for the provision of disaster recovery services. Mr. Robertson explained that he was proposing to purchase services from the State of Tennessee to house some of Rutherford County's most important equipment in the State Data Center located in Smyrna, Tennessee. The center is a secure and hardened facility similar to facilities that large corporations might have. The agreement will allow Rutherford County to have access to the facility and will provide one 19 inch, 8 foot tall rack in which to place county computer equipment. In the event of a declared disaster, Rutherford County would be able to operate the equipment from the facility. The contract shall be effective for the period beginning July 1, 2012 and ending on June 30, 2017 at a monthly rate of \$1,063.00 per rack.

Comm. Shafer asked what the disaster procedures were prior to this contract.

Mr. Robertson stated that previously and even currently some equipment was redundantly located in the basement of 319 North Maple Street. The financial servers are redundantly located at the Correctional Work Center.

Mr. Robertson advised that the 911 Emergency Communications District also planned to purchase an entire rack and he and Director Steve Smith would be working together to share the same data circuits so that there would not be double costs in that respect.

Comm. Jernigan moved, seconded by Comm. Sandlin to authorize the County Mayor to execute the Contract with the Tennessee Department of Finance and Administration for the provision of disaster recovery services at a monthly cost of \$1,063.00 per rack for the period of July 1, 2012 through June 30, 2017 and forward the same to the County Commission.

Comm. Shafer asked why this disaster recovery method would be better than storing the equipment for free in the basement at 319 North Maple Street.

Mr. Robertson advised that the facility was a bunker type of facility with large generators capable of operating for many days. He stated that there was no generator back-up power located at 319 North Maple Street. He stated that there was some generator power at the Correctional Work Center, but there was limited rack space. Mr. Robertson advised that the state's data center was a three or four year old state-of-the-art facility. He stated that there was a security guard located there, a razor fence around the perimeter, and it was secure enough to house much of the state's important data resources. The facility included space that was not yet occupied, and the cost would be much less than the cost to pay a corporation like Amazon or others to host the county's services offsite. Mr. Robertson advised that other situations were looked at, but the cost was not competitive to the state's cost.

Following discussion, the motion to authorize the County Mayor to execute the Contract with the Tennessee Department of Finance and Administration for the provision of disaster recovery services at a monthly cost of \$1,063.00 per rack for the period of July 1, 2012 through June 30, 2017 and forward the same to the County Commission passed unanimously by acclamation.

CHANCERY COURT:

The Finance Director requested approval of the following budget transfer for the Chancery Court to provide adequate funding to complete the year for Legal Notices for delinquent taxes:

From: 101-53400-317 – Data Processing Services -	\$2,525
To: 101-53400-332 – Legal Notices -	\$2,525

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget transfer for the Chancery Court as requested transferring \$2,525 from Account 101-53400-317, Data Processing Services, to Account 101-53400-332, Legal Notices.

The motion passed unanimously by acclamation.

CORRECTIONAL WORK CENTER:

Superintendent Bernard Salandy, Correctional Work Center, requested approval of the following budget transfers to provide sufficient funding for the Gasoline Account to complete the fiscal year and to pay the accumulated leave for an employee who has left employment:

From: 101-54220-322 – Evaluation & Testing -	\$ 700
To: 101-54220-425 – Gasoline -	\$ 700

From: 101-54220-205 – Employee & Dependent Insurance -	\$1,000
To: 101-54220-425 – Gasoline -	\$1,000

From: 101-54220-160 – Guards -	\$2,065
To: 101-54220-187 – Overtime Pay -	\$2,065

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget transfers for the Correctional Work Center as requested transferring \$700 from Account 101-54220-322, Evaluation & Testing, to Account 101-54220-425, Gasoline; transferring \$1,000 from Account 101-54220-205, Employee and Dependent Insurance, to Account 101-54220-425, Gasoline; and transferring \$2,065 from Account 101-54220-160, Guards, to Account 101-54220-187, Overtime Pay.

The motion passed unanimously by acclamation.

PET ADOPTION & WELFARE SERVICES:

Mr. Michael Gregory, PAWS Director, requested approval of the following budget transfer to provide sufficient funding for the Part-Time Personnel for the remainder of the year:

From: 101-55120-161 – Secretary -	\$6,000
To: 101-55120-169 – Part Time Personnel -	\$6,000

Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget transfer for the PAWS Department as requested transferring \$6,000 from Account 101-55120-161, Secretary, to Account 101-55120-169, Part Time Personnel.

The motion passed unanimously by acclamation.

MISCELLANEOUS:

The Finance Director requested approval of the following budget amendment to provide sufficient funds for the reserve established by the third-party administrator for property and casualty claims:

From: 101-39000 – Unassigned Fund Balance -	\$100,000
To: 101-58900-505 – Judgments -	\$100,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Miscellaneous Account as requested amending \$100,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-58900-505, Judgments, for the payment of property and casualty claims.

The motion passed unanimously by acclamation.

2011-12 AMBULANCE SERVICE FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following budget amendments for the Ambulance Service to recognize additional revenue for patient charges and to appropriate the additional revenue for Other Contracted Services due to the billing company collecting more than anticipated; and to provide sufficient funding to complete the year for the Part Time Personnel Account to cover part time costs for a dispatcher who was on long-term disability:

Increase Revenue:	118-43120 – Patient Charges -	\$25,000
Increase Expend.:	118-55130-399 – Other Contracted Svc. -	\$25,000
From:	118-55130-133 – Paraprofessionals -	\$11,000
To:	118-55130-169 – Part Time Personnel -	\$11,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendments for the Ambulance Service Fund as requested increasing Revenue Account 118-43120, Patient Charges, by \$25,000 and increasing Expenditure Account 118-55130-399, Other Contracted Services, by \$25,000; and transferring \$11,000 from Account 118-55130-133, Paraprofessionals, to Account 118-55130-169, Part Time Personnel.

The motion passed unanimously by acclamation.

REQUEST APPROVAL OF ASSISTANCE TO FIREFIGHTERS GRANT APPLICATION FOR EMERGENCY MEDICAL SERVICE:

The Finance Director requested approval for the County Mayor to submit an application for an Assistance to Firefighters Grant for the Ambulance Service to provide funding of \$264,000 for 12 cardiac monitors and \$125,000 for one ambulance.

Comm. Sandlin moved, seconded by Comm. Jernigan to forward a Resolution to the County Commission authorizing the County Mayor to submit an application for an Assistance to Firefighters Grant for the Ambulance Service to provide funding of \$264,000 for 12 cardiac monitors and \$125,000 for one ambulance; and additionally to authorize the County Mayor to accept the grant subject to it being awarded.

The motion passed unanimously by acclamation.

REQUEST APPROVAL OF ASSISTANCE TO FIREFIGHTERS GRANT APPLICATION FOR FIRE AND RESCUE:

The Finance Director next requested approval for the County Mayor to submit an application for an Assistance to Firefighters Grant for the Fire and Rescue Department to provide funding of \$185,000 for one rescue truck, \$230,000 for one pumper truck, and \$60,000 each for two sets of extrication equipment.

Comm. Peay moved, seconded by Comm. Sandlin to forward a Resolution to the County Commission authorizing the County Mayor to submit an application for an Assistance to Firefighters Grant for the Fire and Rescue Department to provide funding of \$185,000 for one rescue truck, \$230,000 for one pumper truck, and \$60,000 each for two sets of extrication

equipment; and additionally, to authorize the County Mayor to accept the grant subject to it being awarded.

The motion passed unanimously by acclamation.

APPROVE LETTER OF AGREEMENT FOR DIRECT APPROPRIATION GRANT FROM TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION FOR DRUG COURT:

The Finance Director advised that the Rutherford County Drug Court had received notice that the State's budget for the fiscal year beginning July 1, 2012 included a direct appropriation grant for the Rutherford County Drug Court.

The state has appropriated the sum of \$75,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making grants in the amount of \$37,500 each to the Rutherford County Drug Court and the Williamson County Drug Court to be used for operational expenses.

Comm. Sandlin moved, seconded by Comm. Shafer to authorize the County Mayor to execute the Letter of Agreement: Direct Appropriation Grant for Governmental Entities to accept a Direct Appropriation Grant from the Tennessee Department of Finance and Administration in the amount of \$37,500 for the Rutherford County Drug Court.

The motion passed unanimously by acclamation.

2011-12 GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Don Odom, and Mr. Jeff Sandvig, Assistant Superintendent, were present to request approval of 2011-12 General Purpose School Fund budget amendments to amend an additional \$846,833 in 2011-12 revenues, an additional \$124,702 in expenditures and to increase Unassigned Fund Balance by \$722,131. Most of the expenditures are in the Board of Education function, 72310, and cover the cost of the superintendent search, additional funds being transferred to the liability insurance fund, and additional Trustee's Commission.

Mr. Sandvig next requested approval of General Purpose School Fund amendments to reallocate \$45,393 in already budgeted labor and \$2,021 in benefits in order to fund two vacation pay outs and additional scheduling time for the school attendance clerks who are working with a new scheduling module. The other line item increases are to make sure all staffing lines are fully funded for the year. Various other staff and benefit lines were reduced by \$47,414 in order to fully fund staffing line items for the fiscal year.

Mr. Sandvig next requested approval of various other expenditures totaling \$499,010, which were all within major functions and used no new funding. The major items were \$70,000 in Account 71100-499 to better record purchases instead of equipment; \$80,784 in Account 71300-449 for the vocational textbook adoption; \$58,250 in Account 72230-399 for contract services for other student support for athletic trainers; \$35,000 in Account 72220-399, Special Education Contracts for a legal settlement; and \$134,100 in Account 72620 reallocating maintenance repairs and services to various line items.

Mr. Sandvig next requested approval of an amendment moving \$483,405 from the regular education textbook budget, 71100-449 to the vocational textbook budget, 71300-449, so that the vocational textbook adoption could be charged to the proper line item in the budget.

Comm. Peay moved, seconded by Comm. Sandlin to approve the 2011-12 General Purpose School Fund budget amendments as requested amending an additional \$846,833 in 2011-12 revenues, an additional \$124,702 in expenditures, and increasing Unassigned Fund Balance by \$722,131; amending \$47,414 in increases to various staff and benefit line items and reducing other staff and benefit line items by \$47,414 in order to fully fund staffing line items; amending \$499,010 in increases in various other expenditure line items and reducing \$499,010 in other

expenditure line items in order to cover projected expenditures for the year; and amending \$483,405 from the Regular Education textbook budget, 71100-449, to the Vocational textbook budget, 71300-449, in order to fund the vocational textbook adoption.

The motion passed unanimously by acclamation.

2011-12 CENTRAL CAFETERIA FUND BUDGET AMENDMENT:

Mr. Sandvig requested approval of a 2011-12 Central Cafeteria Fund budget amendment, which added \$50,000 in the account for cafeteria workers and \$2,239 in related benefits to ensure that there would be adequate funding to cover the summer nutrition feeding program. No additional funds were involved.

Comm. Peay moved, seconded by Comm. Sandlin to approve the 2011-12 Central Cafeteria Fund budget amendment as requested amending \$52,239 for cafeteria workers and related benefits and to fund the amendment by reallocating other labor and benefit line items.

The motion passed unanimously by acclamation.

2012-13 BUDGET REVIEW

SPECIAL PURPOSE FUND:

The Finance Director presented a revised 2012-13 budget for Fund 121, Special Purpose (DEA) Fund, totaling \$64,740. As of today the Special Purpose Fund contained \$64,740 that was unspent. She presented a current expenditure report showing the distribution of the \$64,740 and recommended that be the beginning budget for 2012-13.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the revised 2012-13 Special Purpose Fund budget totaling \$64,740 as presented.

The motion passed unanimously by acclamation.

CORRECTIONAL WORK CENTER:

The Finance Director presented a revised 2012-13 Correctional Work Center budget, which included an additional \$150,000 to Account 101-54220-399, Other Contracted Services, and an additional \$27,500 to Account 101-54220-709, Data Processing Equipment. The revised total for the 2012-13 Correctional Work Center budget was \$3,692,875. She explained that the additions were based on bids received for medical services for the inmates.

Comm. Peay moved, seconded by Comm. Jernigan to approve the 2012-13 Correctional Work Center budget as revised totaling \$3,692,875.

Mayor Burgess advised that the current medical provider had given notice that they were not going to continue the medical services for the Correctional Work Center. Bids were taken, and only one bid was received. The \$27,500 for the Data Processing Equipment, will allow the Correctional Work Center to have the same software to provide the medical records for the inmates as the Sheriff's Department. He stated it would be a better medical service.

Following discussion, the motion to approve the 2012-13 Correctional Work Center budget as revised totaling \$3,692,875 passed unanimously by acclamation.

COUNTY ATTORNEY:

The Finance Director presented a revised 2012-13 County Attorney budget, totaling \$259,000, which was the same as previously approved. The line item breakdown was more in line with the Resolution that was approved by the County Commission extending the County Attorney's General Legal Services Contract. The budget reflected rolling previous budget amounts from

Account 101-51400-307, Communications, through Account 101-51400-709, Data Processing Equipment, into one line item – 101-51400-331, Legal Services. The total amount for Account 101-51400-331, Legal Services, was \$110,150.

Comm. Baum moved, seconded by Comm. Shafer to approve the 2012-13 County Attorney budget as revised totaling \$259,000.

Mayor Burgess advised that as to the Legal Services Agreement the second amendment had been prepared by the County Attorney, and that he and the Finance Director had reviewed the agreement and the proposed revised budget was consistent with the amended legal services agreement.

The motion to approve the 2012-13 County Attorney budget as revised totaling \$259,000 passed by voice vote with Comm. Peay and Comm. Sandlin voting “no”.

2012-13 GENERAL FUND BUDGET:

The Finance Director presented the final 2012-13 General Fund budget advising that the revised revenue totaled \$72,231,188, which included revenue for another Assistance to Firefighters Grant; and the revised expenditures total \$76,069,450.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the 2012-13 General Fund budget as revised with estimated revenue totaling \$72,231,188 and estimated appropriations totaling \$76,069,450.

The motion passed unanimously by acclamation.

2012-13 TAX LEVY RESOLUTION:

Chairman Ealy presented the Resolution authorizing the tax levy in Rutherford County for the fiscal year beginning July 1, 2012, which authorized a combined property tax rate for Rutherford County of \$2.4652 on each \$100 of taxable property, which is to provide revenue for each of the funds as follows:

County General -	\$.5840
Ambulance Service Fund -	.0829
Highway Fund -	.0140
General Purpose School Fund -	1.1430
Education Capital Projects Fund -	.0451
Debt Service Fund -	<u>.5962</u>
Total -	\$2.4652

Section 2 explained that the business tax would be distributed based on the property tax rate distribution. Section 3 explained how the county's situs portion of sales tax revenue would be divided. Section 4 explained how the Wheel Tax revenue would be allocated. Section 5 explained how the Development Tax revenue would be divided. Section 6 explained how interest earned on idle operating balances, with the exception of the Special Purpose Fund and the Drug Control Fund, would be distributed.

Comm. Sandlin moved, seconded by Comm. Peay to approve the Resolution authorizing that the tax levy in Rutherford County for the Fiscal Year beginning July 1, 2012 shall be \$2.4652 on each \$100 of taxable property.

The motion passed unanimously by acclamation.

2012-13 APPROPRIATION RESOLUTION:

Chairman Ealy presented a Resolution making appropriations for the various funds, departments, institutions, offices and agencies of Rutherford County, Tennessee for the fiscal year beginning July 1, 2012 and ending on June 30, 2013 as follows:

General Fund -	\$ 76,069,450
Rutherford County Industrial/Economic Development -	243,777
Solid Waste/Sanitation Fund -	3,818,486
Ambulance Service Fund -	10,637,880
Special Purpose Fund -	64,740
Drug Control Fund -	638,600
Highway Fund -	9,378,799
General Purpose School Fund -	279,680,771
Central Cafeteria Fund -	18,033,200
Education Capital Projects Fund -	2,380,027
General Debt Service Fund -	41,651,683

Comm. Jernigan moved, seconded by Comm. Peay to approve the Resolution making appropriations for the various funds, department, institutions, offices and agencies of Rutherford County, Tennessee for the fiscal year beginning July 1, 2012 and ending on June 30, 2013 as follows: General Fund - \$76,069,450; Rutherford County Industrial/Economic Development Fund - \$243,777; Solid Waste/Sanitation Fund - \$3,818,486; Ambulance Service Fund - \$10,637,880; Special Purpose Fund - \$64,740; Drug Control Fund - \$638,600; Highway Fund - \$9,378,799; General Purpose School Fund - \$279,680,771; Central Cafeteria Fund - \$18,033,200; Education Capital Projects Fund - \$2,380,027; and General Debt Service Fund - \$41,651,683.

The motion passed unanimously by acclamation.

OTHER BUSINESSAUTHORIZATION TO VENDOR FOR DRUG CONTROL PROGRAM:

The Finance Director requested approval of an Authorization to Vendor from the Tennessee Department of Mental Health and Substance Abuse Services for Alcohol and Drug Addiction Treatment for Indigent Supervised Probation Offender Treatment explaining that the Rutherford County Drug Court facility could be used by eligible individuals who could not afford to pay for services. The authorization to vendor provided a list of services for which the State would pay to Rutherford County for qualified individuals who were indigent.

Comm. Sandlin moved, seconded by Comm. Peay to approve the schedule of authorized services for which the State of Tennessee Department of Mental Health and Substance Abuse Services would pay to Rutherford County for qualified individuals who were unable to pay.

The motion passed unanimously by acclamation.

ADJOURNMENT:

Chairman Ealy reminded the committee that the County Commission would meet on Friday, June 29 at 9:00 A.M. at which time, the 2012-13 budget was scheduled to be adopted.

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 6:16 P.M.